



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
5001 EISENHOWER AVENUE, ALEXANDRIA, VA 22333-0001

REPLY TO
ATTENTION OF
AMCPE-P (1hh)

13 APR 2000

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Government Travel Charge Card

1. The purpose of this memorandum is to provide you with information on the mandatory use of the revised Government Travel Card (GTC) Program.

2. The Travel and Transportation Act (TTRA) of 1998 requires all Federal employees to use the Government travel charge card for all payments of expenses associated with official Government travel beginning after 30 Apr 00. Those expenses include lodging, transportation cost, and rental cars. To implement the mandatory use of the travel charge card, commanders and travel approving authorities must ensure that their personnel comply with the DOD policy for TTRA implementation issued on 18 February 2000, and revised by memorandum from the Under Secretary of Defense, dated 1 March 2000 (enclosed), which will become part of Chapter 9 of the DOD Financial Management Regulation.

3. Pursuant to the TTRA, the General Services Administration and the Under Secretary of Defense (Comptroller) have exempted certain classes of DOD personnel, and certain classes of expenses, from the requirement to use the Government travel charge card. Those exemptions are as follows.

a. Classes of Personnel Exempted:

(1) Employees who have an application pending for the travel charge card.

(2) Individuals traveling on invitational travel orders:

(a) not employed by the Government;

(b) employed intermittently by the Government as consultants or experts and paid on a daily, when-actually employed basis;

AMCPE-P

Subject: Government Travel Charge Card

(c) serving without pay or at \$1 a year;

(d) spouse travel.

(3) New appointees.

(4) Members of the Reserve Officer Training Corps and military personnel undergoing initial entry or initial skill training prior to reporting to their first permanent duty station.

(5) Military and DOD civilian personnel who are denied travel charge cards or whose travel charge cards have been canceled or suspended for financial irresponsibility or for other specific reasons.

(6) Prisoners.

(7) Such military or DOD civilian personnel as approved by the Secretary of the Army during a:

(a) period of war;

(b) National emergency declared by the President or the Congress;

(c) mobilization, deployment, or contingency operations.

(8) Such military or DOD civilian personnel traveling to or in a foreign country where the political, financial, or communications infrastructure does not support the use of a travel charge card.

(9) Such military or DOD civilian personnel whose use of the travel charge card, due to operational, security, or other requirements of a mission, would pose a threat to National security, endanger the life or physical safety of themselves or others, or would compromise a law enforcement activity.

AMCPE-P

Subject: Government Travel Charge Card

(10) Direct and indirect hire foreign nationals.

(11) Individuals employed or appointed on a temporary or intermittent basis upon a determination by the individual's supervisor, or other appropriate official, that the duration of the employment or appointment, or other circumstances pertaining to such employment or appointment, does not justify issuance of a travel charge card to such individual.

(12) Permanent Change of Station (PCS) Travel.

(13) Infrequent Travelers.

b. Classes of Expenses Exempted:

(1) Those incurred at a vendor that does not accept the Government-sponsored, contractor-issued travel charge card.

(2) Laundry/dry cleaning.

(3) Parking.

(4) Local transportation system fares.

(5) Taxi fares.

(6) Tips.

(7) All expenses covered by the "meals and incidentals" portion of the per diem allowance.

(8) All local and long distance telephone calls.

4. The TTRA also requires DOD to reimburse employee travel expenses within 30 days after submission of a proper travel voucher. If DOD fails to reimburse these expenses within 30 days, the traveler is entitled to interest beginning on the 31st day after submission of a proper travel claim. In addition, the

AMCPE-P

Subject: Government Travel Charge Card

traveler is entitled to receive an amount equal to any late payment charge that the travel charge card contractor would have been able to charge had the traveler not paid the bill.

5. The requirement to use the Government-sponsored travel charge card for travel-related expenses ensures a smoother transition to the new Defense Travel System (DTS). This new system is scheduled for implementation in the National Capital Region within the next 14 months. Additional information on the DTS will soon follow.

6. The DOD policy implementing guidance requires that the travel orders notify the traveler whether mandatory use of the card is required, or whether the traveler is exempt. Insert one of the following statements in block 16 of the DD Form 1610, Request and Authorization for TDY Travel of DOD Personnel.

a. The traveler is required to use the Government-sponsored, contractor-issued travel charge card.

b. The traveler is exempt from the use of the Government-sponsored, contractor-issued charge card because (insert the appropriate exemption; e.g., the traveler's application for the travel charge card is pending, as appropriate).

7. Additional guidance on the Government-sponsored travel charge card will be provided when the Department of the Army issues its implementing guidance.

8. Point of contact for information on the mandatory use of the Government-sponsored travel charge card is Ms. Alicia Waters, AMCPE-P, commercial telephone number 703-617-5512, DSN 767-5512, or e-mail address: awaters@hqamc.army.mil.



COMPTROLLER

**UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100**

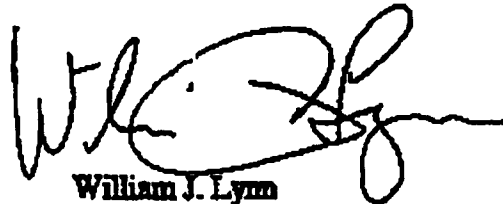
MAR 1 2000

**MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES
PROJECT MANAGER-DEFENSE TRAVEL SYSTEM**

SUBJECT: Implementation of the Travel Card Requirements Contained in the "Travel and Transportation Reform Act of 1998" (TTRA)

My recent memorandum to you on the above subject included the Department of Defense implementation guidance for the TTRA. The guidance stated that: "These policies are effective immediately and will be applied to travel payments for travel beginning after February 29, 2000."

In view of the limited time provided to implement this policy within the Department, the General Services Administration has granted the Department of Defense a 60-day extension. Consequently, the TTRA policy statement is revised to read: "These policies are effective immediately and will be applied to travel payments for travel beginning after April 30, 2000."



William J. Lynn

DEPARTMENT OF DEFENSE
POLICIES TO IMPLEMENT THE
"TRAVEL AND TRANSPORTATION REFORM ACT OF 1998"

A. PURPOSE

To establish policies for Department of Defense (DoD) implementation of Public Law 105-264, the "Travel and Transportation Reform Act of 1998" (TTRA).

B. APPLICABILITY AND SCOPE

These policies are applicable to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Inspector General of the DoD, the Defense Agencies, the DoD Field Activities, the Uniformed Services University of the Health Sciences and all DoD Nonappropriated Fund Instrumentalities (hereafter referred to collectively as the "DoD Components").

C. RESPONSIBILITIES

1. The Under Secretary of Defense (Comptroller) (USD(C)) shall develop DoD-wide policy for implementation of the requirements of the TTRA and shall monitor implementation of the TTRA by the DoD Components.

2. The Heads of the DoD Components shall develop a strategy for implementing the TTRA, shall ensure that personnel required to use the travel card are provided with adequate information concerning its use and restrictions, and shall comply with the provisions of this policy.

D. MANDATORY USE OF THE TRAVEL CHARGE CARD

All DoD personnel shall be required to use the government-sponsored, contractor-issued travel charge card for all expenses arising from official government travel, unless otherwise exempted in accordance with the provisions of the following paragraph, "E. Exemptions." Travel orders shall contain a statement notifying the traveler whether mandatory use of the travel card is required or whether the traveler is exempt from the mandatory use provision. Failure to use the travel card shall not be a basis for refusing to reimburse the traveler for otherwise appropriate charges; however, such failure may subject the traveler to appropriate administrative or disciplinary action.

E. EXEMPTIONS

1. Classes of Personnel Exempted:

a. The General Services Administration (GSA) has exempted the following classes of personnel from mandatory use of the travel charge card.

(1) Employees who have an application pending for the travel charge card.

(2) Individuals traveling on invitational travel orders.

(3) New appointees.

b. In addition to the government-wide GSA exemptions, the following classes of personnel are exempt from mandatory use of the card throughout the Department of Defense:

(1) Members of the Reserve Officer Training Corps and military personnel undergoing initial entry or initial skill training prior to reporting to their first permanent duty station.

(2) Military and DoD civilian personnel who are denied travel charge cards or whose travel charge cards have been canceled or suspended for financial irresponsibility or for other specific reasons.

(3) Prisoners.

(4) Such military or DoD civilian personnel as approved by the Head of a DoD Component during (a) a period of war; (b) a national emergency declared by the President or the Congress; or (c) mobilization, deployment, or contingency operations.

(5) Such military or DoD civilian personnel traveling to or in a foreign country where the political, financial, or communications infrastructure does not support the use of a travel charge card.

(6) Such military or DoD civilian personnel whose use of the travel charge card, due to operational, security, or other requirements of a mission, would pose a threat to national security, endanger the life or physical safety of themselves or others, or would compromise a law enforcement activity.

(7) Direct and indirect hire foreign nationals.

(8) Individuals employed or appointed on a temporary or intermittent basis upon a determination by the individual's supervisor or other appropriate official that the duration of the employment or appointment or other circumstances pertaining to such employment or appointment does not justify issuance of a travel charge card to such individual.

2. Classes of Expenses Exempted:

a. The GSA has exempted the following classes of expenses from the mandatory use of the travel charge card:

(1) Those incurred at a vendor that does not accept the government-sponsored, contractor-issued travel charge card.

(2) Laundry/dry cleaning.

(3) Parking.

(4) Local transportation system fares.

(5) Taxi fares.

(6) Tips.

(7) Meal charges when the use of the card is impractical (e.g., group meals or when the card is not accepted at a dining establishment).

(8) Telephone calls (when a government calling card is available for use in accordance with agency policy).

b. In addition to the government-wide GSA exemptions, the following classes of expenses are exempt from the mandatory use of the travel charge card throughout the Department of Defense:

(1) All expenses covered by the "meals and incidentals" portion of the per diem allowance.

(2) All local and long distance telephone calls.

3. Exemptions made by the Heads of DoD Components

a. The Heads of DoD Components may exempt additional types or classes of expenses or type or class of personnel from the mandatory use requirements of the TTRA. An exemption covering a type or class of expenses or type or class of personnel shall be approved by the USD(C) prior to implementation.

b. The Heads of DoD Components may exempt any individual person or specific expense (i.e., a specific occurrence of an expense relating to a particular traveler or a single episode of travel) from the mandatory use requirements of the TTRA. These exemptions do not require approval by the USD(C).

c. The Head of the DoD Component shall notify the GSA not later than 30 days after granting an exemption, including a statement of the reason for the exemption. Notifications shall be submitted directly to the Administrator of General Services, Attention: MTT, 1800 F Street, NW, Washington, D.C., 20405. Copies of the notifications shall be provided to the Defense Finance and Accounting Service (DFAS), Attention: DFAS-HQ/FMT, 1931 Jefferson Davis Highway, Arlington, Virginia, 22240-5291.

F. PAYMENT METHODS AUTHORIZED IN CASES OF EXEMPTIONS

When an exemption is granted from the mandatory use of the travel charge card, one or a combination of the following may be authorized for payment of travel expenses: (1) Personal funds, including cash or a personal charge card; (2) Travel advances; or (3) Government Travel Requests. (City pair contractors are not required to accept payments under (1) or (2).) In addition, an individual exempt from mandatory use of the travel charge card may still use the travel charge card on a voluntary basis for official travel expenses.

G. TIMELY REIMBURSEMENT OF TRAVEL EXPENSES

1. DoD personnel must be reimbursed for authorized travel expenses no later than 30 days after submission of a proper travel claim to the approving official. Therefore, a satisfactory recordkeeping system must be maintained by the approving official to track submission and receipt of travel claims. For example, travel claims submitted by mail could be annotated with the date of receipt by the approving official. Travel claims submitted electronically to the approving official could be considered to have been received on the submission date indicated on the e-mail, or on the next business day if submitted after normal working hours.

2. If a travel claim contains any error that would prevent payment of the claim within 30 days after it is submitted, the claimant shall be notified about the error within 7 calendar days after submission of the claim. The notification shall include the reason(s) why the travel claim is not proper.

3. Where payment of the travel settlement takes longer than 30 days following receipt by the approving official, a late payment fee is payable based on the Prompt Payment Act interest rate beginning on the 31st day after the submission of a proper travel claim and ending on the date that the payment is disbursed by the government. The only exception to the requirement for this payment is when the payment would be less than \$1.00. In addition, the traveler shall be paid an amount equal to any late payment charge that the travel charge card contractor would have been able to charge had the traveler not paid the bill. The Internal Revenue Service has determined that the late payment fee is reportable as interest and that the payment equal to the late payment charge is to be reported as additional wages.

4. DoD Component travel systems shall be modified as necessary to capture the date of submission of a proper travel claim and compute entitlement for late payment fees due as a result of untimely settlement.

5. Pending development and deployment of necessary system changes to implement the requirement set forth in subparagraph 4, above, each payment advice produced for a travel settlement shall advise the traveler of the potential entitlement to late payment fees, and refer the traveler to a DFAS web site. The DFAS shall include on its web site a "settlement time" calculator that estimates the late payment fees due to travelers, if any. No such statement will be required on a payment advice once the applicable travel system has been modified as set forth in subparagraph 4, above.

6. Pending implementation of system changes that will track late payments and automatically create and compute the entitlement resulting from such late payment, if a traveler believes that late payment fees are due, he or she shall submit a supplemental travel claim for late payment fees. Each such supplemental travel claim shall be submitted through the approving official, who will annotate the claim with the date that the original travel claim was received. As DoD travel systems are modified to implement the automated late payment fee computation and entitlement requirement, there no longer will be a need for separate action by the traveler to file a supplemental travel claim for late payment fees.

H. COLLECTION OF AMOUNTS DUE TO THE CONTRACTOR FROM EMPLOYEE'S NET PAY

The TTRA authorizes (but does not require) agencies to collect travel charge card debts incurred by agency personnel. At this time, the Department does not intend to exercise this discretionary provision of the TTRA. Instead, the current contractor agreement to provide service under the government's SmartPay Program shall govern the collection of debts.

I. APPROVAL OF REGULATIONS

All regulations implementing TTRA provisions, as well as any future changes thereto, must be approved by the USD(C) prior to issuance.

J. EFFECTIVE DATE AND IMPLEMENTATION

These policies are effective immediately and will be applied to travel payments for travel beginning after February 29, 2000. Any labor relations obligation under Title 5, United States Code, chapter 71 shall be fulfilled prior to implementation of this policy with respect to employees represented by unions.

The provisions of this memorandum shall be incorporated into Volume 9, "Travel Policy and Procedures," of the DoD Financial Management Regulation (DoD 7000.14-R).